



News Release

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HHS Awards Grants to Twenty-two States to Offset Costs of Insurance for Residents Too Sick for Conventional Coverage

HHS Secretary Mike Leavitt today announced \$14.4 million in grants to help states provide health insurance to citizens who cannot get conventional health coverage because they are too sick. This builds on \$25.6 million in grants awarded in September 2004 for a total of \$40 million.

The grants are used by states to offset losses incurred in FY 2003 and 2004 in state high-risk pools, which offer health coverage to individuals with serious medical conditions.

"The grant will help states continue to provide access to health care through the high-risk pools they have maintained for the uninsured," Secretary Leavitt said. "Individuals who benefit from these risk pools usually have a history of health problems that makes it extremely difficult to find affordable health coverage in the individual market."

More than 180,000 individuals are enrolled in state high-risk pools across the country. In addition to providing health insurance coverage to individuals with health problems, high risk pools also assist in keeping private health insurance more affordable for healthier people.

The grants were authorized in the Trade Adjustment Assistance Reform Act of 2002 (Trade Act). To be eligible, a state must have a "qualified" high-risk pool that meets the criteria specified in the Trade Act and must follow such rules as capping premiums at no higher than 150 percent of the standard charge in the state. Each state was eligible for a

grant that matches up to 50 percent of the losses incurred in the operation of its risk pool. Funds were distributed based on the number of uninsured individuals in each state. HHS' Center for Medicare & Medicaid Services (CMS) administers the program.

The first installment of the \$40 million, or \$25.6 million, was awarded in September 2004 and the \$14.4 balance was awarded today. In addition, 19 states had previously received grants totaling \$40 million to offset losses incurred in FY 2002.

The grant is part of the Bush Administration's broad strategy for expanding access to health care for the more than 40 million Americans without health insurance. "Getting health insurance to the uninsured has been a high priority of the Bush Administration," said Mark B. McClellan, M.D., Ph.D., CMS Administrator. "As a physician, I know how important it is to have access to regular medical care. These grants for high-risk pools will help people who otherwise might not be able to afford high medical bills get the care they need."

Total High Risk Pool Allocation for 2004

Alaska	\$483,555
Arkansas	\$1,892,658
Colorado	\$3,096,266
Connecticut	\$1,502,721
Illinois	\$7,472,921
Indiana	\$3,358,254
Iowa	\$367,670
Kansas	\$1,297,042
Kentucky	\$2,291,952
Maryland	\$3,175,868
Massachusetts	\$132,271
Minnesota	\$1,971,749

Mississippi	\$2,037,628
Montana	\$621,040
Nebraska	\$751,032
New Hampshire	\$531,515
New Mexico	\$1,738,727
North Dakota	\$292,703
Oklahoma	\$2,730,738
Utah	\$1,395,360
Wisconsin	\$2,500,578
Wyoming	\$357,751

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